

STATE OF WASHINGTON

OFFICE OF
INSURANCE COMMISSIONER*In the Matter of*

)

) No. G 2000 - 45

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**The Market Conduct Examination
of Atlanta Casualty Company.**

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) FINDINGS, CONCLUSIONS, AND

)

) ORDER ADOPTING REPORT

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BACKGROUND

An examination of the market conduct of Atlanta Casualty Company (the Company) for the period January 1, 1999, to December 31, 1999, was conducted by market conduct examiners of the Washington State Office of the Insurance Commissioner. The Company is an insurer authorized under RCW 48.05.030. This examination was conducted in compliance with the laws and regulations of the State of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the Office of the Insurance Commissioner. This examination was limited to Complaint Handling and Claim Settlement Practices.

The examination report with the findings and recommendations was transmitted to the Company for their comments on June 21, 2000. Response to the draft report was received on August 11, 2000.

The Commissioner or a designee has considered the report, the relevant portions of the examiner workpapers, and the submission by the Company. The report was modified to reflect new information provided by the company in their response to the draft report.

Subject to the right of the Company to demand a hearing pursuant to chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

The Commissioner adopts as findings the findings of the examiners as contained in the

report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct of the Company.

ORDER

The examination report as filed, attached hereto and incorporated by reference, is hereby ADOPTED as the final examination report.

It is ORDERED that the Company comply with the Instructions in the Report as follows (the page and other references are to the report):

1. The company is instructed to include the legal name of the company in all written correspondence as required by RCW 48.05.190(1). (Pages 5 and 6)
2. The company is instructed to adopt and implement standards to respond to communication on claims to ensure compliance to WAC 284-30-330(2) on every file. (Page 6)
3. The company is instructed to adopt and implement standards to ensure compliance to WAC 284-30-330(3) and complete timely investigation prior to accepting liability on every file. (Page 6)
4. The company is instructed to comply with WAC 284-30-340 regarding documentation of dates and pertinent events in all claim files. (Page 7)
5. The company is instructed to require claim handlers to respond to all pertinent communications regarding claims within the 10-day time frame pursuant to the requirements of WAC 284-30-360(1) and (3). (Page 7)
5. The company is instructed to comply with WAC 284-30-370 regarding prompt investigation of a claim. (Page 7)
6. The company is instructed to evaluate total losses according to the methods established in WAC 284-30-390(1)(a)(b) and (c). The company is further instructed to eliminate the practice of deducting sales tax and transfer fees from owner retained total loss settlements. (Page 7)
7. The company is instructed to send a written explanation of Personal Injury Protection (PIP) coverage and circumstances that would allow the company to deny, limit or terminate PIP benefits to each insured applying for benefits pursuant to WAC 284-30-395(1). (Page 7)
8. The company is instructed to implement procedures to notify the Department of Motor Vehicles of total loss vehicles by surrender of the title, or the appropriate form in absence of title, pursuant to RCW 46.12.070 and WAC 308-58-020. (Page 8)

ENTERED at Lacey, Washington, this 17th day of August, 2000.

DEBORAH SENN

Insurance Commissioner

By:

WILLIAM E. FRANSEN

Deputy Commissioner